

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 FEA-02 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-03 COME-00 DODE-00 EB-11 FPC-01 H-03 INR-11

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 PA-04 USIA-15

PRS-01 DRC-01 /174 W

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R 071231Z SEP 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 8014

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E.O. 11652: N/A

TAGS: ENRG, AR

SUBJECT: NATIONALIZATION OF PETROLEUM SALES; FURTHER DEVELOPMENTS

REFS: A. BA 5644, B. BA 5726, C. BA 6413, D. BA 6588

SUMMARY. GOA IMPLEMENTATION OIL NATIONALIZATION MEASURES DESCRIBED REFTELS APPEARS INCREASINGLY ARBITRARY. LOCAL ESSO REP TOLD ME YESTERDAY HE WAS CONCERNED OVER SITUATION. GOA HAS YET TO MAKE CLEAR IF, WHEN, AND HOW ASSETS (SOME SERVICE STATIONS, PUMPS AND TANKS, TRUCKS, INVENTORY, ETC.) OF US COMPANIES AFFECTED (ESSO AND CITIES SERVICE) WILL BE COMPENSATED. LOCAL ESSO REP WILL DISCUSS SITUATION WITH EXXON HEAD OFFICE IN US NEXT WEEK AND I ANTICIPATE DEPARTMENT COULD RECEIVE EXXON REQUEST FOR USG ACTION. END SUMMARY

1. YESTERDAY I MET WITH LOCAL ESSO REP YANEZ AT HIS REQUEST FOR A REVIEW OF SITUATION OF US OIL COMPANIES (ESSO AND CITIES SERVICE) AFFECTED BY RECENT GOA NATIONALIZATION MEASURES (SEE REFTELS). HE MADE IT CLEAR HE CONCERNED OVER SITUATION. HE SAID GOA REGULATORY DECREE (COPY PASSED DEPT) WAS ARBITRARY

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AND EXCESSIVE. THUS FAR, GOA HAS NOT SPECIFIED IF, WHEN AND HOW IT PLANS TO COMPENSATE US COMPANIES AFFECTED. HE SAID HE TRAVELING

TO US THIS WEEKEND TO REVIEW SITUATION WITH EXXON HEAD OFFICE.  
IN RESPONSE TO MY QUESTION, HE CLARIFIED HE NOT REQUESTING  
ANY EMBASSY ASSISTANCE AT THIS TIME, BUT WOULD KEEP US INFORMED  
OF RESULTS HEAD OFFICE MEETING. DURING CONVERSATION IT CAME  
OUT THAT SHELL IS REPORTEDLY ALSO IN CONTACT WITH BRITISH AND  
DUTCH EMBASSIES HERE RE POSSIBLE ACTION.

2. WHILE I AM INDEED SYMPATHETIC TO ESSO'S PLIGHT AND WILLING TO  
INTERCEDE IF INSTRUCTED, I BELIEVE ESSO WHICH HAS LONG EXPERIENCE  
IN THESE MATTERS SHOULD SEEK TO CLARIFY THE SITUATION FURTHER  
BEFORE USG WADES IN.

HILL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LAW, NATIONALIZATION, PETROLEUM INDUSTRY, PETROLEUM PRODUCTS, SALES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NATIONALIZATION OF PETROLEUM SALES; FURTHER DEVELOPMENTS  
**TAGS:** ENRG, AR  
**To:** STATE  
**Type:** TE  
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